



Reprinted
January 30, 2008

HOUSE BILL No. 1245

DIGEST OF HB 1245 (Updated January 29, 2008 6:19 pm - DI 113)

Citations Affected: IC 6-3.5; IC 8-9.5; IC 8-23; IC 36-9.

Synopsis: Mass transit funding. Provides that a public transportation corporation located in a county having a consolidated city may receive each year, at the election of the public transportation corporation, 3% of the county's certified distribution of county option income tax revenue for the year. Establishes the regional transportation authority formation fund. Provides that a county, city, or town located with in a regional transit authority may establish a transit development district to improve transportation infrastructure within the transit development district. Provides that a transit development district captures a part of the sales taxes collected in the transit development district. Requires the fiscal body of the unit establishing a transit development district to appropriate the captured revenues to the regional transit authority. Requires a regional transit authority to distribute 25% of any funds received from a transit development district to the regional transportation authority formation fund. Provides the fund shall be administered by the Indiana department of transportation. Requires the money in the fund to be used to make matching grants of up to 20% of the costs incurred by a county or municipality in establishing a regional transportation authority. Repeals the automated transit district statute.

Effective: July 1, 2008.

Austin, Crawford, Buell, Bosma

January 14, 2008, read first time and referred to Committee on Ways and Means.
January 24, 2008, amended, reported — Do Pass.
January 29, 2008, read second time, amended, ordered engrossed.

HB 1245—LS 6996/DI 113+



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Reprinted
January 30, 2008

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

HOUSE BILL No. 1245

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007,
2 SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives
4 under this chapter shall be used to:

5 (1) replace the amount, if any, of property tax revenue lost due to
6 the allowance of an increased homestead credit within the county;

7 (2) fund the operation of a public communications system and
8 computer facilities district as provided in an election, if any, made
9 by the county fiscal body under IC 36-8-15-19(b);

10 (3) fund the operation of a public transportation corporation ~~as~~
11 ~~provided in an election; if any, made by the county fiscal body~~
12 ~~under IC 36-9-4-42; established under IC 36-9-4;~~

13 (4) make payments permitted under IC 36-7-15.1-17.5;

14 (5) make payments permitted under subsection (i);

15 (6) make distributions of distributive shares to the civil taxing
16 units of a county; and

17 (7) make the distributions permitted under sections 27, 28, 29, 30,

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31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

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(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 2. IC 8-23-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 28. Funding to Establish a Regional Transportation Authority

Sec. 1. The regional transportation authority formation fund is established.

Sec. 2. The department shall administer the fund.

Sec. 3. Expenditures from the fund may be made only in accordance with this chapter.

Sec. 4. The department may use the money in the fund to provide matching grants to cities or counties that wish to establish a regional transportation authority under IC 36-9-3. The expenses in administering the fund and the grants shall be paid from the money in the fund.

Sec. 5. The amount of a grant provided under this chapter may not exceed twenty percent (20%) of the costs incurred by a city or county in establishing a regional transportation authority under IC 36-9-3.

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1 **Sec. 6. Each grant provided under this chapter must be matched**
 2 **by funds provided by the city or county applying for the grant**
 3 **under this chapter. The matching funds required by a city or**
 4 **county may be provided by any source except other state funds.**

5 **Sec. 7. A city or county must apply for a grant under this**
 6 **chapter in the manner prescribed by the department.**

7 **Sec. 8. (a) Money in the fund at the end of a state fiscal year does**
 8 **not revert to the state general fund.**

9 **(b) The treasurer of state shall invest the money in the fund not**
 10 **currently needed to meet the obligations of the fund in the same**
 11 **manner as other public money may be invested. Interest that**
 12 **accrues from these investments shall be deposited in the fund to be**
 13 **used for any purpose for which funds may be used under this**
 14 **chapter.**

15 **Sec. 9. The fund consists of the following:**

16 **(1) Funds deposited by regional transit authorities under**
 17 **IC 36-9-42.**

18 **(2) Money received from any other source, including**
 19 **appropriations.**

20 **Sec. 10. The department shall notify all regional transit**
 21 **authorities (as defined in IC 36-9-42) when the aggregate total of**
 22 **all deposits by the regional transit authorities under IC 36-9-42 has**
 23 **reached one million dollars (\$1,000,000).**

24 **SECTION 3. IC 36-9-4-42 IS AMENDED TO READ AS**
 25 **FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) A municipality**
 26 **or a public transportation corporation that expends money for the**
 27 **establishment or maintenance of an urban mass transportation system**
 28 **under this chapter may acquire the money for these expenditures:**

29 **(1) by issuing bonds under section 43 or 44 of this chapter;**

30 **(2) by borrowing money made available for such purposes by any**
 31 **source;**

32 **(3) by accepting grants or contributions made available for such**
 33 **purposes by any source;**

34 **(4) in the case of a municipality, by appropriation from the**
 35 **general fund of the municipality, or from a special fund that the**
 36 **municipal legislative body includes in the municipality's budget;**
 37 **or**

38 **(5) in the case of a public transportation corporation, **one (1) or****
 39 **both of the following:**

40 **(A) By levying a tax under section 49 of this chapter. ~~or~~**

41 **(B) By ~~recommending an election~~ **electing** to use revenue**
 42 **from the county option income taxes, as provided in**

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1 subsection (c).

2 (b) Money may be acquired under this section for the purpose of
3 exercising any of the powers granted by or incidental to this chapter,
4 including:

5 (1) studies under section 4, 9, or 11 of this chapter;

6 (2) grants in aid;

7 (3) the purchase of buses or real property by a municipality for
8 lease to an urban mass transportation system, including the
9 payment of any amount outstanding under a mortgage, contract of
10 sale, or other security device that may attach to the buses or real
11 property;

12 (4) the acquisition by a public transportation corporation of
13 property of an urban mass transportation system, including the
14 payment of any amount outstanding under a mortgage, contract of
15 sale, or other security device that may attach to the property;

16 (5) the operation of an urban mass transportation system by a
17 public transportation corporation, including the acquisition of
18 additional property for such a system; and

19 (6) the retirement of bonds issued and outstanding under this
20 chapter.

21 (c) This subsection applies only to a public transportation
22 corporation located in a county having a consolidated city. ~~In order to~~
23 ~~provide revenue to a~~ **During each year that the county option**
24 **income tax is in effect in the county, the public transportation**
25 ~~corporation during a year; the public transportation corporation board~~
26 ~~may recommend and the county fiscal body may elect to provide~~
27 ~~revenue to the corporation shall receive three percent (3%) from the~~
28 ~~part of the certified distribution, if any, that the county is to receive~~
29 ~~during that same year under IC 6-3.5-6-17. To make the election; the~~
30 ~~county fiscal body must adopt an ordinance before September 1 of the~~
31 ~~preceding year. The county fiscal body must specify in the ordinance~~
32 ~~the amount of the certified distribution that is to be used to provide~~
33 ~~revenue to the corporation. If such an ordinance is adopted; the county~~
34 ~~fiscal body shall immediately send a copy of the ordinance to the~~
35 ~~county auditor.~~

36 SECTION 4. IC 36-9-42 IS ADDED TO THE INDIANA CODE AS
37 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
38 1, 2008]:

39 **Chapter 42. Transit Development Districts**

40 **Sec. 1. This chapter applies only to units:**

41 (1) that are not townships; and

42 (2) that are located within the boundaries of a regional transit

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authority.

Sec. 2. As used in this chapter, "gross retail base period amount" means the total amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a transit development district during the full state fiscal year that precedes the date on which the transit development district was established under section 5 of this chapter.

Sec. 3. As used in this chapter, "gross retail incremental amount" means the remainder of:

(1) the total amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a transit development district during a state fiscal year; minus

(2) the gross retail base period amount plus the amount of growth of the state gross retail and use tax based on the Consumer Price Index that would be expected to occur without the presence of the transit district; as determined by the department of state revenue.

Sec. 4. As used in this chapter, "regional transit authority" means an entity:

(1) that is eligible to receive federal transportation funding under Title 49 of the United States Code; and

(2) that is either:

(A) a regional transportation authority established under IC 36-9-3; or

(B) the northwest Indiana regional development authority established under IC 36-7.5-2-1.

Sec. 5. The fiscal body of a unit may adopt an ordinance to establish a transit development district. The ordinance creating a transit development district must specify the territorial boundaries of the district. The territorial boundaries of the district may not extend beyond the boundaries of the regional transit authority within which the unit is located.

Sec. 6. The fiscal body of a unit may adopt an ordinance to dissolve a transit development district that was created by the unit. However, the fiscal body of a unit may not adopt an ordinance to dissolve the transit development district under this subsection earlier than the date three (3) years after the date on which the ordinance creating the transit development district was adopted.

Sec. 7. Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each

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transit development district designated under this chapter.

Sec. 8. (a) The treasurer of state shall establish an incremental tax financing fund. The treasurer of state shall establish an account within the incremental tax financing fund for each transit development district designated under this chapter. The treasurer of state shall administer the fund. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), during each state fiscal year the department of state revenue shall deposit in the account established for a transit development district under subsection (a) the total amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the transit development district, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the transit development district.

(c) Not more than five million dollars (\$5,000,000) may be deposited in a particular account established under subsection (a) for a transit development district over the life of the transit development district.

(d) On or before the twentieth day of each month, the treasurer of state shall distribute all amounts held in the account established under subsection (a) for a transit development district to the unit that established the transit development district for deposit in the transit development district tax increment fund established under section 9(a) of this chapter.

Sec. 9. (a) Each unit that establishes a transit development district under this chapter shall establish a transit development district tax increment fund to receive money distributed to the unit under section 8 of this chapter.

(b) The fiscal body of a unit that creates a transit development district shall appropriate money deposited in the unit's transit development district tax increment fund to the regional transit authority whose boundaries contain the transit development district.

Sec. 10. (a) Except as provided in subsection (b), a regional transit authority shall use the funds appropriated to the regional transit authority under section 9(b) of this chapter for the purposes authorized by the statute under which the regional transit authority was established as referred to in section 4(2) of this chapter.

(b) Except as provided in subsection (c), each regional transit authority receiving an appropriation under section 9(b) of this

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1 chapter shall deposit twenty-five percent (25%) of each
2 appropriation into the regional transportation authority formation
3 fund established under IC 8-23-28-1.

4 (c) A regional transit authority is not required to make the
5 deposit required under subsection (b) if the total of all deposits
6 made by regional transit authorities under subsection (b) has
7 reached one million dollars (\$1,000,000).

8 SECTION 5. IC 8-9.5-7 IS REPEALED [EFFECTIVE JULY 1,
9 2008].

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1245, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation ~~as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;~~ **established under IC 36-9-4;**
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; and
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
- (2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and

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distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

- (1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the

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payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 2. IC 8-23-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

Chapter 28. Funding to Establish a Regional Transportation Authority

Sec. 1. The regional transportation authority formation fund is established.

Sec. 2. The department shall administer the fund.

Sec. 3. Expenditures from the fund may be made only in accordance with this chapter.

Sec. 4. The department may use the money in the fund to provide matching grants to cities or counties that wish to establish a regional transportation authority under IC 36-9-3. The expenses in administering the fund and the grants shall be paid from the money in the fund.

Sec. 5. The amount of a grant provided under this chapter may not exceed twenty percent (20%) of the costs incurred by a city or county in establishing a regional transportation authority under IC 36-9-3.

Sec. 6. Each grant provided under this chapter must be matched by funds provided by the city or county applying for the grant under this chapter. The matching funds required by a city or county may be provided by any source except other state funds.

Sec. 7. A city or county must apply for a grant under this chapter in the manner prescribed by the department.

Sec. 8. (a) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund to be used for any purpose for which funds may be used under this chapter.

Sec. 9. The fund consists of the following:

- (1) Funds deposited by regional transit authorities under IC 36-9-42.**
- (2) Money received from any other source, including**

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appropriations.

Sec. 10. The department shall notify all regional transit authorities (as defined in IC 36-9-42) when the aggregate total of all deposits by the regional transit authorities under IC 36-9-42 has reached one million dollars (\$1,000,000).

SECTION 3. IC 36-9-4-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) A municipality or a public transportation corporation that expends money for the establishment or maintenance of an urban mass transportation system under this chapter may acquire the money for these expenditures:

- (1) by issuing bonds under section 43 or 44 of this chapter;
- (2) by borrowing money made available for such purposes by any source;
- (3) by accepting grants or contributions made available for such purposes by any source;
- (4) in the case of a municipality, by appropriation from the general fund of the municipality, or from a special fund that the municipal legislative body includes in the municipality's budget; or
- (5) in the case of a public transportation corporation, **one (1) or both of the following:**

(A) By levying a tax under section 49 of this chapter. ~~or~~

(B) By ~~recommending an election~~ **electing** to use revenue from the county option income taxes, as provided in subsection (c).

(b) Money may be acquired under this section for the purpose of exercising any of the powers granted by or incidental to this chapter, including:

- (1) studies under section 4, 9, or 11 of this chapter;
- (2) grants in aid;
- (3) the purchase of buses or real property by a municipality for lease to an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the buses or real property;
- (4) the acquisition by a public transportation corporation of property of an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the property;
- (5) the operation of an urban mass transportation system by a public transportation corporation, including the acquisition of additional property for such a system; and

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(6) the retirement of bonds issued and outstanding under this chapter.

(c) This subsection applies only to a public transportation corporation located in a county having a consolidated city. ~~In order to provide revenue to a~~ **During each year that the county option income tax is in effect in the county, the** public transportation corporation during a year; the public transportation corporation board may recommend and the county fiscal body may elect to provide revenue to the corporation **shall receive three percent (3%) from the** part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. ~~To make the election; the county fiscal body must adopt an ordinance before September 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the corporation. If such an ordinance is adopted; the county fiscal body shall immediately send a copy of the ordinance to the county auditor."~~

Page 1, line 5, delete "to all units except townships." and insert **"only to units:**

(1) that are not townships; and

(2) that are located within the boundaries of a regional transit authority.

Page 2, between lines 28 and 29, begin a new paragraph and insert:

"Sec. 6. As used in this chapter, "regional transit authority"

means an entity:

(1) that is eligible to receive federal transportation funding under Title 49 of the United States Code; and

(2) that is either:

(A) a regional transportation authority established under IC 36-9-3; or

(B) the northwest Indiana regional development authority established under IC 36-7.5-2-1."

Page 2, line 29, delete "6." and insert **"7."**

Page 2, line 31, after "." insert **"The territorial boundaries of the district may not extend beyond the boundaries of the regional transit authority within which the unit is located."**

Page 2, line 32, delete "7. (a)" and insert **"8."**

Page 2, delete lines 38 through 42.

Delete pages 3 through 7.

Page 8, delete lines 1 through 26.

Page 8, line 27, delete "18" and insert **"9"**.

Page 8, line 32, delete "19" and insert **"10"**.

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Page 9, line 20, delete "20" and insert "11".

Page 9, line 21, delete "20" and insert "11".

Page 9, line 23, delete "19" and insert "10".

Page 9, line 24, after "fund" insert **"shall be appropriated by the fiscal body of the unit that created the transit district to the regional transit authority that has boundaries containing the transit district."**

Sec. 12. (a) Except as provided in subsection (b), the funds appropriated to the regional transit authority under section 11 of this chapter may only be used for the purposes of the regional transit authority authorized by the statute under which the authority was established as listed in section (6)(2) of this chapter.

(b) Except as provided in subsection (c), each regional transit authority receiving an appropriation under section 10 of this chapter shall deposit twenty-five percent (25%) of each appropriation into the regional transportation authority formation fund established under IC 8-23-28-1.

(c) A regional transit authority is not required to make the deposit required under subsection (b) if the aggregate total of all deposits made by regional transit authorities under subsection (b) has reached one million dollars (\$1,000,000)."

Page 9, delete lines 25 through 42.

Page 10, delete lines 1 through 12.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1245 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 7.

HOUSE MOTION

Mr. Speaker: I move that House Bill 1245 be amended to read as follows:

Page 5, delete lines 39 through 42, begin a new paragraph and insert:

"Chapter 42. Transit Development Districts

Sec. 1. This chapter applies only to units:

- (1) that are not townships; and**
- (2) that are located within the boundaries of a regional transit**

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authority.

Sec. 2. As used in this chapter, "gross retail base period amount" means the total amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a transit development district during the full state fiscal year that precedes the date on which the transit development district was established under section 5 of this chapter.

Sec. 3. As used in this chapter, "gross retail incremental amount" means the remainder of:

(1) the total amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the territory comprising a transit development district during a state fiscal year; minus

(2) the gross retail base period amount;

as determined by the department of state revenue.

Sec. 4. As used in this chapter, "regional transit authority" means an entity:

(1) that is eligible to receive federal transportation funding under Title 49 of the United States Code; and

(2) that is either:

(A) a regional transportation authority established under IC 36-9-3; or

(B) the northwest Indiana regional development authority established under IC 36-7.5-2-1.

Sec. 5. The fiscal body of a unit may adopt an ordinance to establish a transit development district. The ordinance creating a transit development district must specify the territorial boundaries of the district. The territorial boundaries of the district may not extend beyond the boundaries of the regional transit authority within which the unit is located.

Sec. 6. The fiscal body of a unit may adopt an ordinance to dissolve a transit development district that was created by the unit. However, the fiscal body of a unit may not adopt an ordinance to dissolve the transit development district under this subsection earlier than the date three (3) years after the date on which the ordinance creating the transit development district was adopted.

Sec. 7. Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each transit development district designated under this chapter.

Sec. 8. (a) The treasurer of state shall establish an incremental tax financing fund. The treasurer of state shall establish an account

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within the incremental tax financing fund for each transit development district designated under this chapter. The treasurer of state shall administer the fund. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

(b) Subject to subsection (c), during each state fiscal year the department of state revenue shall deposit in the account established for a transit development district under subsection (a) the total amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the transit development district, until the amount of state gross retail and use taxes deposited equals the gross retail incremental amount for the transit development district.

(c) Not more than five million dollars (\$5,000,000) may be deposited in a particular account established under subsection (a) for a transit development district over the life of the transit development district.

(d) On or before the twentieth day of each month, the treasurer of state shall distribute all amounts held in the account established under subsection (a) for a transit development district to the unit that established the transit development district for deposit in the transit development district tax increment fund established under section 9(a) of this chapter.

Sec. 9. (a) Each unit that establishes a transit development district under this chapter shall establish a transit development district tax increment fund to receive money distributed to the unit under section 8 of this chapter.

(b) The fiscal body of a unit that creates a transit development district shall appropriate money deposited in the unit's transit development district tax increment fund to the regional transit authority whose boundaries contain the transit development district.

Sec. 10. (a) Except as provided in subsection (b), a regional transit authority shall use the funds appropriated to the regional transit authority under section 9(b) of this chapter for the purposes authorized by the statute under which the regional transit authority was established as referred to in section 4(2) of this chapter.

(b) Except as provided in subsection (c), each regional transit authority receiving an appropriation under section 9(b) of this chapter shall deposit twenty-five percent (25%) of each appropriation into the regional transportation authority formation fund established under IC 8-23-28-1.

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(c) A regional transit authority is not required to make the deposit required under subsection (b) if the total of all deposits made by regional transit authorities under subsection (b) has reached one million dollars (\$1,000,000)."

Delete pages 6 through 7.

Page 8, delete lines 1 through 35.

(Reference is to HB 1245 as printed January 25, 2008.)

AUSTIN

HOUSE MOTION

Mr. Speaker: I move that House Bill 1245 be amended to read as follows:

Page 6, line 14, delete "amount;" and insert "**amount plus the amount of growth of the state gross retail and use tax based on the Consumer Price Index that would be expected to occur without the presence of the transit district;**".

(Reference is to HB 1245 as printed January 25, 2008.)

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